



4004

**ANNUAL REPORT**

OF

Name: SPRING VALLEY TELEPHONE COMPANY INC

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Principal Office: 131 SOUTH MCKAY  
P.O. BOX 220  
SPRING VALL, WI 54767

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For the Year Ended: DECEMBER 31, 1996

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TELECOMMUNICATIONS UTILITY  
TO  
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854  
Madison, WI 53707-7854  
(608) 267-9504

*This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.*

## **GENERAL RULES FOR REPORTING**

1. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records in conformity with the Uniform System of Accounts prescribed by the Public Service Commission of Wisconsin in docket 05-US-102. The definitions and instructions contained therein should also apply to the report wherever applicable. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to accounting or other pertinent regulations.
2. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses. Abbreviations listed on page 6 may be used, however please show the exact name of the respondent in full on the "Identification and Ownership" page.
3. Wherever information is requested in a "note", please show that information in the space provided, or make reference to the adjacent page or insert where the note may be found. Please also identify each note. Footnote capability is included in the annual report software program. Please use it where necessary to fully explain particulars in the annual report.
4. Numeric items are limited to digits (0-9). A minus sign "-" should be entered in the software program to indicate negative values. Do not use parentheses for numeric values. The program will convert the minus sign to parentheses when a hard copy of the annual report is printed. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.
5. Please report all dollar amounts to the nearest whole dollar.
6. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.
7. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, that previous year's data should be reported without modification. If modified, an appropriate footnote indicator and explanation should be included in the current year's annual report.
8. Where part or all of the report is prepared by other than utility personnel, a disclosure is required in the notes to the income statement or the balance sheet, which describes the nature and extent of work performed.
9. Please print a hard copy of the annual report on 20 pound or heavier paper, sign it and compare with the electronic copy before officially filing it with the Public Service Commission of Wisconsin.

## SIGNATURE PAGE

I MAXWELL O. DOWNS of  
(Person responsible for accounts)

SPRING VALLEY TELEPHONE COMPANY INC , certify that I  
(Utility Name)

am the person responsible for accounts; that I have examined the following report and, to the best of my knowledge, information and belief, it is a correct statement of the business and affairs of said utility for the period covered by the report in respect to each and every matter set forth therein.

MAXWELL O. DOWNS 04/28/1997  
(Person responsible for accounts) (Date)

GENERAL MANAGER  
(Title)

## TABLE OF CONTENTS

Schedule Name	Page
Cover Page	1
General Rules for Reporting	2
Signature Page	3
Table of Contents	4
Annual Telecommunications Report Glossary of Terms	5
Abbreviations Used in Annual Reports	6
Identification and Ownership	7
Income Statement - Total Company	8
Notes to Income Statement or Balance Sheet	9
Balance Sheet - Assets (Class B Use Accounts Designated By *)	10
Balance Sheet - Liabilities (Class B Use Accounts Designated By *)	11
Statement of Cash Flows	12
Important Changes During the Year	13
Affiliate Abbreviations	14
Affiliated Interest Transactions	15
Affiliated Assets and Liabilities	16
Accounts Receivable Net Write Offs - Telecommunications	17
Notes Receivable (Acct. 1200) and Allowances (Acct. 1201)	18
Investments in Nonaffiliated Companies (Acct. 1402)	19
Nonregulated Investments (Acct. 1406)	20
Deferred Maintenance and Retirements (Acct. 1438)	21
Telecommunications Plant in Service Class A & B	22
Telecommunications Plant in Service Class A & B (Sub-Class Accounts)	24
Accumulated Depreciation Class A & B	26
Accumulated Depreciation Class A & B (Sub-Class Accounts)	28
Net Deferred Operating Income Taxes (Acct. 1350, 1410, 1437, 4100, 4340, 4341 & 4361)	30
Notes Payable (Acct. 4020)	32
Long-Term Debt	33
Capital Stock Accounts at End of Year	35
Retained Earnings (Acct. 4550)	37
Distribution of Taxes	38
Revenues - Class A & B (Class B Use Accounts Designated By *)	40
Expense Matrix - Class A & B	41
Out-of-State Operating Revenues	43
Other Income Accounts (Class B Use Accounts Designated By *)	44
Nonregulated Net Income (Acct. 7990)	45
Distribution of Salaries and Wages	46
Employee Data	46
Telephone Calls and Minutes of Use Per Month	47
Access Usage	48
Outside Plant Statistics at End of Year	49
Special Access Circuits in Use at End of Year	49
Service Data	50
Service Data - End of Year	52

## TABLE OF CONTENTS

Schedule Name	Page
Equipment Abbreviations	54
Manufacturer Abbreviations	54
Central Office Data - End of Year	55
General, Schedule Level and Schedule Line Footnotes	56

## **ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS**

<b>Access Line</b>	Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency transmission, and/or time slot transmission. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice channel or a 64 kilobits per second digital channel.
<b>Analog Signal</b>	A signal that varies in a continuous manner such as voice or music. An analog signal must be contrasted with a digital signal which can assume only discrete values.
<b>Cellular System</b>	A high capacity land mobile radio system in which an assigned frequency spectrum is divided into discrete channels that are assigned to a cellular geographic serving area.
<b>Central Office</b>	A switching unit in a telephone system providing service to the general public, having the necessary equipment and operating arrangements for terminating and interconnecting lines and trunks.
<b>Centrex</b>	A service for customers with many stations that permits station-to-station dialing, one listed directory number for the customer, direct inward dialing to a particular station and station identification on outgoing calls. The switching functions are performed in a central office (stand alone, host or remote).
<b>Channel</b>	An electrical communications path between two or more points. A single pair of wires may provide more than one channel. A channel may also be provided by microwave.
<b>Customer</b>	A person who uses a telephone as a subscriber.
<b>Digital Signal</b>	A signal that has a limited number of discrete states. This may be contrasted with an analog signal that varies in a continuous manner and may have an infinite number of states.
<b>Equal Access</b>	The ability of the subscriber to use any long distance service by dialing the same number of digits.
<b>Exchange</b>	A defined area served by one or more central offices regardless of technical serving arrangements within which the company furnishes service at rates and rules prescribed for that area in the company's filed tariffs. The area is not necessarily marked by political boundaries or the location of host or remote switching units.
<b>Extended Area Service (EAS)</b>	The ability of a customer to call customers in other exchanges at no additional charge or at an additional charge per tariff.
<b>Extended Community Calling (ECC)</b>	The ability of a customer to call customers in other exchanges at rates usually above EAS rates but below toll rates for comparable distances. Rates generally include a duration element.
<b>Feature Group A</b>	Line-side originating and terminating LATA access for which an originating subscriber dials an assigned telephone number that connects to a specific interexchange carrier (IC). The IC returns a tone to signal the caller to input additional generated digits of the called number.

## ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

<b>Feature Group B</b>	Trunk-side originating and terminating LATA access for which an originating subscriber dials a 950-WXXX number (where W=0, 1 and XXX is the carrier access code (CAC)), which is translated to a specific XXX carrier trunk group. Optional rotary dial service and ANI may be available.
<b>Feature Group C</b>	Trunk-side LATA access for AT&T-Communications generally on a direct basis between each end office (EO) and an AT&T-C switching system.
<b>Feature Group D</b>	Also referred to as equal access. It is trunk-side LATA access affording call supervision of an interexchange carrier, a uniform access code (10XXXXX), optional calling party identification, recording of access-charge billing details and presubscription to a customer specified interexchange carrier.
<b>FX-IN</b>	A nonswitched service where the customer of the company is connected to and receives switching service through central office equipment located in another exchange area.
<b>FX-OUT</b>	A switched service where facilities are provided from the central office out to the exchange boundary where it meets the line from a foreign exchange subscriber.
<b>Host Switching System</b>	A switching system that provides centralized control over most of the switching functions of one or more remote switching units. The host switching system usually provides trunk access to the operating company intraLATA networks.
<b>Local Access Transport Area (LATA)</b>	A geographic area within which an operating company may offer its telecommunications services.
<b>Mobile Telephone</b>	A service which provides radio telephone communication from a mobile vehicle to another vehicle or to a regular telephone.
<b>Paging</b>	A service which provides one-way signal or voice communication over a radio channel to a miniature receiver carried by the customer.
<b>Pair</b>	Two wires of a single circuit.
<b>Pay Station</b>	A telephone which normally requires all users to deposit one or more coins or use a credit card to complete a call.
<b>Private Line Service</b>	Channel or circuit rented for private use and not intended to be connected to the general distribution system.
<b>Private Branch Exchange (PBX)</b>	A manually, or operator controlled switching system, usually on the customer's premises, which serves that customer's telephones over a common group of lines from the central office.
<b>Radio Common Carrier (RCC)</b>	A company which furnishes public telecommunications service using one or more radio channels.
<b>Remote Switching Unit (RSU)</b>	An electronic switching system that is remote from its host or control office. All of the central control equipment for the RSU is located in the host switching system.

## **ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS**

<b>Route Miles</b>	<p>Total number of route miles (to the nearest mile) of operating plant facilities including drop wire in the exchange. One route mile may consist of:</p> <ol style="list-style-type: none"><li>1. One mile of roadway with any combination of outside plant facilities on any number of rights-of-way.</li><li>2. One mile of a cross country route with any combination of outside plant facilities.</li><li>3. One mile of point-to-point microwave or radio link.</li><li>4. One mile of plant on either side of a limited access highway or natural barrier, such as a navigable waterway.</li><li>5. One mile of joint use line where the utility either owns the facility or leases space.</li></ol>
<b>Stand Alone Switch</b>	<p>A central office switch which has no remote switching units (RSUs) subtending it.</p>
<b>Trunk</b>	<p>A communications path connecting two switching systems in the establishment of an end-to-end connection.</p>
<b>Wide Area Telephone Service (WATS)</b>	<p>Customer leased access line or lines connected to the nationwide network over which an unlimited number of calls can be made for a fixed monthly charge.</p>
<b>Wire Center</b>	<p>The location of one or more local switching systems. A point at which customers' loops converge.</p>



## ABBREVIATIONS USED IN ANNUAL REPORTS

<b>Acct</b>	.....	Account
<b>Accum</b>	.....	Accumulated
<b>Acq</b>	.....	Acquisition
<b>Admin</b>	.....	Administrative
<b>Alloc</b>	.....	Allocation
<b>Amort</b>	.....	Amortization
 <b>CO</b>	 .....	 Central Office
 <b>Depr</b>	 .....	 Depreciation
 <b>Equip</b>	 .....	 Equipment
<b>Exp</b>	.....	Expenses
<b>EOY</b>	.....	End of Year
 <b>FOY</b>	 .....	 First of Year
 <b>Info</b>	 .....	 Information
<b>ITC</b>	.....	Investment Tax Credit
 <b>Misc</b>	 .....	 Miscellaneous
 <b>Nonoper</b>	 .....	 Nonoperating
<b>Nonreg</b>	.....	Nonregulated
 <b>Oper</b>	 .....	 Operating
<b>Opns</b>	.....	Operations
<b>Orig</b>	.....	Originating
 <b>Prop</b>	 .....	 Property
 <b>Receiv</b>	 .....	 Receivable
<b>Reg</b>	.....	Regulated
<b>Rev</b>	.....	Revenues
 <b>Svcs</b>	 .....	 Services
 <b>Telecom</b>	 .....	 Telecommunications
<b>Term</b>	.....	Terminating
<b>TPIS</b>	.....	Telecommunications Plant in Service
<b>TPUC</b>	.....	Telecommunications Plant Under Construction
 <b>Uncoll</b>	 .....	 Uncollectible

## IDENTIFICATION AND OWNERSHIP

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**Exact Utility Name:** SPRING VALLEY TELEPHONE COMPANY INC  
**Utility Location:** 131 SOUTH MCKAY  
P.O. BOX 220  
SPRING VALL, WI 54767

**Utility Web Site Address:**

**When was utility organized?:** 07/07/1958

**Report any change in name and the effective date:**

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**Officer in charge of correspondence concerning this report**

**Name:** MAXWELL O. DOWNS  
**Title:** GENERAL MANAGER

**Office Address:** 131 SOUTH MCKAY  
P.O. BOX 220  
SPRING VALLEY, WI 54767

**Fax Number:** (715) 778 - 4433  
**Telephone Number:** (715) 778 - 4798  
**Email Address:**

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**Individual or firm, if other than utility employee, preparing this report**

**Name:** KIESLING ASSOCIATES LLP  
**Title:** ACCOUNTING FIRM  
**Firm:** KIESLING ASSOCIATES LLP  
**Office Address:** 6401 ODANA ROAD  
MADISON, WI 53719-1155

**Fax Number:** (608) 273 - 2383  
**Telephone Number:** (608) 273 - 2315  
**Email Address:**

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**Person responsible for financial information contained in report**

**Name:** MAXWELL O. DOWNS  
**Title:** GENERAL MANAGER

**Office Address:** 131 SOUTH MCKAY  
P.O. BOX 220  
SPRING VALLEY, WI 54767

**Fax Number:** (715) 778 - 4433  
**Telephone Number:** (715) 778 - 4798  
**Email Address:**

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**Person responsible for statistical information contained in report**

**Name:** MAXWELL O. DOWNS  
**Title:** GENERAL MANAGER

**Office Address:** 131 SOUTH MCKAY  
P.O. BOX 220  
SPRING VALLEY, WI 54767

**Fax Number:** (715) 778 - 4433  
**Telephone Number:** (715) 778 - 4798  
**Email Address:**

## IDENTIFICATION AND OWNERSHIP

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**List names, addresses, and number of shares held by persons owning 5 percent or more of outstanding voting securities. If any stock is held by a nominee, give known particulars as to the beneficial owner (See Wis. Stat. § 196.795(1)(c), for definition of beneficial owner).**

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**Name:** CHARLES D. RINGROSE  
**Address:** 122 NORTH RANDALL  
RIDGECREST, CA 93555

**Number of Shares Held:** 300  
**Beneficial Owner:** NONE

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**Name:** SUE R. KROHN  
**Address:** 590 SHERRY LANE  
DEERFIELD, IL 60015

**Number of Shares Held:** 300  
**Beneficial Owner:** NONE

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**List companies owned, controlled, or operated and form and extent of such ownership, control or operation.**

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**Company Name:** SPRING VALLEY CELLULAR, INC.  
**Form of Interest:** OWNED  
**Extent Of Interest:** 100%

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**Company Name:** SPRING VALLEY TELEPHONE LONG DISTANCE, INC.  
**Form of Interest:** OWNED  
**Extent Of Interest:** 100%

**INCOME STATEMENT - TOTAL COMPANY**

<b>Particulars (a)</b>	<b>This Year (b)</b>	<b>Last Year (c)</b>	
Operating Revenues (5000-5300)	834,189	725,791	<b>1</b>
<b>Operating Expenses</b>			
Plant Specific Operations Expense (6110-6410)	61,735	77,104	<b>2</b>
Plant Nonspecific Operations Expense	201,052	157,249	<b>3</b>
Customer Operations Expense (6610-6620)	112,888	111,834	<b>4</b>
Corporate Operations Expense (6710-6790)	161,416	145,827	<b>5</b>
Other Operating Income and Expense (7100)	0	0	<b>6</b>
Operating Taxes (7200)	107,302	83,724	<b>7</b>
<b>Total Operating Expenses</b>	<b>644,393</b>	<b>575,738</b>	<b>8</b>
<b>Net Operating Income</b>	<b>189,796</b>	<b>150,053</b>	<b>9</b>
<b>Other Income</b>			
Nonoperating Income and Expense (7300)	15,374	11,062	<b>10</b>
Nonoperating Taxes (7400)	(2,603)	(412)	<b>11</b>
Interest and Related Items (7500)	80,720	62,146	<b>12</b>
Extraordinary Items (7600)	0	0	<b>13</b>
Nonregulated Net Income (7990)	(14,463)	7,784	<b>14</b>
<b>Total Nonoperating Income</b>	<b>(77,206)</b>	<b>(42,888)</b>	<b>15</b>
<b>Net Income</b>	<b>112,590</b>	<b>107,165</b>	<b>16</b>

## NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

- 
1. A summary of significant accounting policies. (The summaries should disclose, but not be limited to, the utility's accounting policies with regard to pension cost, unbilled revenues, depreciation, and income taxes.)

The accounting policies of the Company conform to generally accepted accounting principles. Management uses estimates and assumptions in preparing its financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Telephone operations reflect practices appropriate to the telephone industry. The accounting records of the Company are maintained in accordance with Uniform System of Accounts for Class A and B Telephone Companies prescribed by the Federal Communications Commission as modified by the Public Service Commission of Wisconsin (PSCW).

### A. Property and Equipment

Telephone plant is capitalized at original cost, including the capitalized cost of salaries and wages, materials, certain payroll taxes, and employee benefits.

The Company provides for depreciation for financial reporting purposes on the straight-line method by the application of rates, based on the estimated service lives of the various classes of depreciable property.

Renewals and betterments of units of property are charged to telephone plant in service. When telephone plant is retired, its cost is removed from the asset account and charged against accumulated depreciation, together with removal cost less any salvage realized. No gains or losses are recognized in connection with routine retirements of depreciable property. Repairs and renewals of minor items of property are included in plant specific operations expense.

### B. Income taxes

Income taxes are accounted for using a liability method and provide for the tax effects of transaction reported in the financial statements including both taxes currently due and deferred. Deferred tax liabilities are adjusted to reflect deferred tax consequences at current enacted tax rates. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities include the difference between carrying amounts of depreciable assets and partnership investment basis. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled.

Investment tax credits (ITC) which were deferred prior to the Tax Reform Act of 1986 are being amortized over the regulatory life of the plant which produced the ITC

## NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

which produced the ITC.

### C. Revenue Recognition

Revenues are recognized when earned regardless of the period in which they are billed.

Revenues relating to the provision of access services to customers are derived, in part, from tariffed access charges to toll service providers (interexchange carriers), and in part from sharing in interstate and intrastate pools. Interstate revenues are determined in accordance with nationwide average cost schedules.

The Company is compensated for intrastate access under access charge procedures based on expense and plant investment levels, as determined by the Company and approved by the PSCW.

### D. Cash Equivalents

All highly liquid investments purchased with a maturity of one year or less are considered cash equivalents.

### E. Investments

Non-marketable equity investments and temporary investments are stated at cost.

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2. A summary of significant contingent assets and liabilities existing at year end, including a brief explanation of any action initiated by the Internal Revenue Service, Wisconsin Department of Revenue, or the utility involving a possible assessment or refund of taxes.

NONE

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3. The notes should include an explicit and precise explanation of any retained earnings restrictions and should state the amount of retained earnings affected by such restrictions.

The mortgage to the United States of America, underlying the RUS and RTB notes, contains certain restrictions on the declaration of payment of cash dividends, redemption of capital stock, or investment in affiliated companies. As of March 31, 1996, the maximum amount which could be distributed in accordance with these restrictions was \$316,000, except as might be specifically authorized in writing in advance by the RUS and RTB noteholders.

**BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY \*)**

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
<b>CURRENT ASSETS</b>			
<b>CASH AND EQUIVALENTS</b>			
Cash and Equivalents (1120)*	624,179	412,056	1
Cash (1130)		0	2
Special Cash Deposits (1140)		0	3
Working Cash Advances (1150)		0	4
Temporary Investments (1160)		0	5
<b>TOTAL CASH AND EQUIVALENTS</b>	<b>624,179</b>	<b>412,056</b>	
<b>RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS</b>			
Telecommunications Accounts Receivable (1180)*	64,089	52,265	6
Accounts Receivable Allowance-Telecom (1181)*	0	0	7
<b>Net: Telecommunications Accounts Receivable</b>	<b>64,089</b>	<b>52,265</b>	
Other Accounts Receivable (1190)*	69,683	60,237	8
Accounts Receivable Allowance--Other (1191)*	0	0	9
<b>Net: Other Accounts Receivable</b>	<b>69,683</b>	<b>60,237</b>	
Notes Receivable (1200)*	0	0	10
Notes Receivable Allowance (1201)*	0	0	11
<b>Net: Notes Receivable</b>	<b>0</b>	<b>0</b>	
Interest and Dividends Receivable (1210)*	953	202	12
<b>TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL</b>	<b>134,725</b>	<b>112,704</b>	
<b>SUPPLIES</b>			
Inventories (1220)*	23,622	18,126	13
<b>TOTAL SUPPLIES</b>	<b>23,622</b>	<b>18,126</b>	
<b>PREPAYMENTS</b>			
Total Prepayments (1280)*	3,190	2,893	14
Prepaid Rents (1290)		0	15
Prepaid Taxes (1300)		0	16
Prepaid Insurance (1310)		0	17
Prepaid Directory Expenses (1320)		0	18
Other Prepayments (1330)		0	19
<b>TOTAL PREPAYMENTS</b>	<b>3,190</b>	<b>2,893</b>	
<b>OTHER CURRENT ASSETS</b>			
Other Current Assets (1350)*	2,478	0	20
<b>TOTAL OTHER CURRENT ASSETS</b>	<b>2,478</b>	<b>0</b>	
<b>TOTAL CURRENT ASSETS</b>	<b>788,194</b>	<b>545,779</b>	
<b>NONCURRENT ASSETS</b>			
<b>INVESTMENTS</b>			
Investment in Affiliated Companies (1401)*	95,720	90,402	21
Investments in Nonaffiliated Companies (1402)*	32,107	32,107	22
Nonregulated Investments (1406)*	3,250	0	23
Unamortized Debt Issuance Expense (1407)*	1,277	1,328	24
Sinking Funds (1408)*	0	0	25

**BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY \*)**

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
<b>NONCURRENT ASSETS</b>			
<b>INVESTMENTS</b>			
Other Noncurrent Assets (1410)*	0	0	26
<b>TOTAL INVESTMENTS</b>	<b>132,354</b>	<b>123,837</b>	
<b>DEFERRED CHARGES</b>			
Deferred Tax Regulatory Asset (1437)*	0	0	27
Deferred Maintenance and Retirements (1438)*	0	0	28
Deferred Charges (1439)*	0	0	29
<b>TOTAL DEFERRED CHARGES</b>	<b>0</b>	<b>0</b>	
<b>TOTAL NONCURRENT ASSETS</b>	<b>132,354</b>	<b>123,837</b>	
<b>PLANT</b>			
<b>TELECOMMUNICATIONS PLANT IN SERVICE</b>			
Telecommunications Plant in Service (2001)*	2,409,840	2,642,516	30
Less: Accumulated Depreciation (3100)*	655,766	1,011,439	31
Less: Accumulated Amortization--Capitalized Leases (3410)*	0	0	32
Less: Accumulated Amortization--Leasehold Improvements (3420)*	0	0	33
Less: Accumulated Amortization--Intangible (3500)*	0	0	34
<b>NET TELECOMMUNICATIONS PLANT IN SERVICE</b>	<b>1,754,074</b>	<b>1,631,077</b>	
<b>PROPERTY HELD FOR FUTURE USE</b>			
Prop. Held for Future Telecommun. Use (2002)*	0	0	35
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*	0	0	36
<b>NET PROPERTY HELD FOR FUTURE USE</b>	<b>0</b>	<b>0</b>	
<b>NONOPERATING PLANT</b>			
Nonoperating Plant (2006)*	0	0	37
Less: Accumulated Depreciation--Nonoperating (3300)*	0	0	38
<b>NET NONOPERATING PLANT</b>	<b>0</b>	<b>0</b>	
<b>TPUC</b>			
TPUC (2003)*	0	0	39
<b>TOTAL TPUC</b>	<b>0</b>	<b>0</b>	
<b>TELECOMMUNICATIONS PLANT ADJUSTMENT</b>			
Telecommunications Plant Adjustment (2005)*	0	0	40
Less: Accumulated Amortization--Other (3600)*	0	0	41
<b>NET TELECOMMUNICATIONS PLANT ADJUSTMENT</b>	<b>0</b>	<b>0</b>	
<b>TOTAL PLANT</b>	<b>1,754,074</b>	<b>1,631,077</b>	
<b>TOTAL ASSETS AND OTHER DEBITS*</b>	<b>2,674,622</b>	<b>2,300,693</b>	



**BALANCE SHEET - LIABILITIES (CLASS B USE ACCOUNTS DESIGNATED BY \*)**

<b>Particulars (a)</b>	<b>Balance--EOY (b)</b>	<b>Balance--FOY (c)</b>	
<b>CURRENT LIABILITIES</b>			
Accounts Payable (4010)*	102,893	57,854	1
Notes Payable (4020)*	0	0	2
Advance Billing and Payments (4030)*	0	0	3
Customer Deposits (4040)*	0	0	4
Current Maturities--Long-Term Debt (4050)*	31,700	12,700	5
Current Maturities--Capital Leases (4060)*	0	0	6
Income Taxes--Accrued (4070)*	(4,316)	7,297	7
Other Taxes--Accrued (4080)*	(47)	(1,349)	8
Net Current Deferred Operating Income Taxes (4100)*	0	0	9
Net Current Deferred Nonoperating Income Taxes (4110)*	0	0	10
Other Accrued Liabilities (4120)*	4,432	8,472	11
Other Current Liabilities (4130)*	0	0	12
<b>TOTAL CURRENT LIABILITIES*</b>	<b>134,662</b>	<b>84,974</b>	
<b>LONG-TERM DEBT</b>			
Funded Debt (4210)*	1,353,811	1,059,883	13
Premium on Long-Term Debt (4220)*	0	0	14
Discount on Long-Term Debt (4230)*	0	0	15
Reacquired Debt (4240)*	0	0	16
Obligations Under Capital Leases (4250)*	0	0	17
Advances from Affiliated Companies (4260)*	0	0	18
Other Long-Term Debt (4270)*	0	0	19
<b>TOTAL LONG-TERM DEBT*</b>	<b>1,353,811</b>	<b>1,059,883</b>	
<b>OTHER LIABILITIES AND DEFERRED CREDITS</b>			
Other Long-Term Liabilities (4310)*	0	0	20
Unamortized Operating ITC--Net (4320)*	15,624	19,624	21
Unamortized Nonoperating ITC--Net (4330)*	0	0	22
Net Noncurrent Deferred Operating Income Taxes (4340)*	84,649	79,578	23
Net Deferred Tax Liability Adjustments (4341)*	(8,412)	(10,512)	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	(1,496)	(7,918)	25
Other Deferred Credits (4360)*	76,059	85,769	26
Deferred Tax Regulatory Liability (4361)*	8,564	10,726	27
<b>TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*</b>	<b>174,988</b>	<b>177,267</b>	
<b>STOCKHOLDERS' EQUITY</b>			
Capital Stock (4510)*	60,000	60,000	28
Additional Paid-in Capital (4520)*	0	0	29
Treasury Stock (4530)*	0	0	30
Other Capital (4540)*	0	0	31
Retained Earnings (4550)*	951,161	918,569	32
<b>TOTAL STOCKHOLDERS' EQUITY*</b>	<b>1,011,161</b>	<b>978,569</b>	
<b>TOTAL LIABILITIES AND OTHER CREDITS*</b>	<b>2,674,622</b>	<b>2,300,693</b>	

**STATEMENT OF CASH FLOWS**

<b>Item (a)</b>	<b>Amount (b)</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income	112,590	<b>1</b>
<b>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:</b>		
Depreciation and amortization	192,567	<b>2</b>
Interest during construction	0	<b>3</b>
<b>Changes in assets and liabilities:</b>		
Current assets (net)	(30,293)	<b>4</b>
Other noncurrent assets	51	<b>5</b>
Other current liabilities	30,688	<b>6</b>
Other liabilities and deferred credits	(2,278)	<b>7</b>
<b>Other (specify):</b>		
<b>TOTAL ADJUSTMENTS</b>	<b>190,735</b>	
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES (NET INCOME &amp; ADJUST.)</b>	<b>303,325</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Capital Expenditures:</b>		
Changes in plant (net)	(318,813)	<b>8</b>
Investments in affiliated companies	(5,318)	<b>9</b>
Nonoperating Investments	0	<b>10</b>
<b>Other (specify):</b>		
<b>NET CASH USING IN INVESTING ACTIVITIES</b>	<b>(324,131)</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Change in capital lease obligations (net)	0	<b>11</b>
Change in long-term debt (net)	312,928	<b>12</b>
Net changes in stockholder equity other than retained earnings	0	<b>13</b>
Change in short term borrowing (net)	0	<b>14</b>
Dividends paid	(79,999)	<b>15</b>
Miscellaneous debits/credits to retained earnings	0	<b>16</b>
<b>Other (specify):</b>		
<b>Net Cash Provided by Financing Activities</b>	<b>232,929</b>	
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>212,123</b>	
Cash and cash equivalents at beginning of year (Accts. 1130-1160 for Class A; 1120 for Class B)		
Cash and cash equivalents at end of year (Accts. 1130-1160 for Class A; 1120 for Class B)		

## IMPORTANT CHANGES DURING THE YEAR

- 
1. Give the name and address of all companies which during the year came under the direct control of the respondent otherwise than through title to securities, stating whether such control is sole or joint, how control was established, names of other parties to a joint agreement for control, the extent of control exercised by each party, and any other pertinent data requisite to a clear understanding of the arrangements relating to control (See Section 32.9000 of the Uniform System of Accounts). Where important details relating to control of a company have changed, give particulars. If during the year a company ceased to be controlled by the respondent, its name and a statement of fact will be sufficient.

NONE

- 
2. Give the name and address of all companies which during the year came under the indirect control of the respondent through non-reporting intermediaries, stating whether such control is sole or joint, how control was established, names of other parties to a joint agreement for control, the extent of control exercised by each party, the name and address of the intermediary through which the indirect control exists, and any other pertinent data requisite to a clear understanding of the arrangements relating to control (See Section 32.9000 of the Uniform System of Accounts). Where important details relating to control of a company have changed, give particulars. If during the year a company ceased to be controlled by the respondent, its name and a statement of fact will be sufficient.

NONE

- 
3. Important leaseholds acquired, given, assigned or surrendered, giving effective dates, lengths of terms, names of parties, rents, and other conditions.

NONE

- 
4. List extension of system (other than additions supplementing existing facilities of the respondent) whether by purchase, construction, donation, or otherwise, such as a substantially complete telephone system, exchange or toll line. Give the location, new territory covered, and dates of beginning operation, and in case of purchase give also the name and address of the company from which purchased, date of acquisition, the consideration given, and reference to Commission authorization.

NONE

- 
5. Estimated increase or decrease in annual revenues due to important rate changes, giving bases of estimates.

Company increased monthly service rates 30% 06/01/96 with an annual impact of \$33,000 for monthly recurring charges.

- 
6. Obligation incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, excluding ordinary commercial paper maturing on demand or not later than one year after date of issue.

NONE

- 
7. Changes in articles of incorporation or amendments to charter.

NONE

- 
8. Additional matters of fact (not elsewhere provided for) which respondent may desire to include in its report.

NONE

### **AFFILIATE ABBREVIATIONS**

In column (b) provide the abbreviation for the name of the affiliate shown in column (a). Limit abbreviations to 10 characters or less. Use these abbreviations when completing the affiliated interest schedules. Insert "Other" in the Abbreviations column if the activity to be reported for a particular record in the Affiliated Interest Transactions or Affiliated Assets and Liabilities schedule represents an aggregation of activity not exceeding the dollar or percentage limits set forth in the header of that schedule.

<b>Name of Affiliate (a)</b>	<b>Abbreviations (b)</b>	
SPRING VALLEY CELLULAR	SPVY CELL	<b>1</b>
SPRING VALLEY TELEPHONE LONG DISTANCE	SPVY LD	<b>2</b>

**AFFILIATED INTEREST TRANSACTIONS**

Provide a summary of transactions under established affiliated interest contracts and arrangements (see Wis. Stat. § 196.52, for "affiliated interest" definitions). Use the space below to report transactions with individual affiliates and multiple affiliated interest agreements or, at the utility's option, with individual affiliates and a single agreement. Activity associated with affiliated contracts or arrangements not in excess of \$25,000 or 5 percent of the equity of the utility, whichever is smaller, may be aggregated in a single record. For utilities whose intrastate gross operating revenues of the previous year exceeded \$100,000,000, individual contracts or arrangements not exceeding \$100,000 may be aggregated in a single record. Where an affiliate is both providing and receiving service use one record to show billings to and a second record for billings from. When billings to or from an affiliate are recorded on the books of the utility, the records underlying such billings shall be sufficient to show all the detail maintained to identify the associated accounts related to the billing and categorize billings according to the account categories shown below.

Particulars (a)	(b)	(c)	(d)	(e)
NONE				
Docket				
Name of Affiliate				1
Designate whether billed to or from:				2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)				3
Revenues				4
<b>Expenses:</b>				
Plant Specific Operations Expense				5
Plant Nonspecific Operations Expense				6
Customer Operations Expense				7
Corporate Operations Expense				8
<b>Total Operating Expenses</b>	0	0	0	0 9
<b>Other:</b>				
Plant Accounts				10
Accumulated Depreciation				11
Accumulated Amortization				12
Clearing				13
All Other				14
<b>Total</b>	0	0	0	0 15
Percent of affiliate's business billed to all affiliated regulated utilities				16
If cost based, rate of return on equity or markup incorporated in billings				17
Footnotes				

**AFFILIATED ASSETS AND LIABILITIES**

This schedule should be used to report affiliated activity concerning balances at the end of the year for the following accounts: 1120, Cash and Equivalents; 1160, Temporary Investments; 1180, Telecommunications Accounts Receivable; 1190, Other Accounts Receivable; 1210, Interest and Dividends Receivable; 1401, Investment in Affiliated Companies; 4010, Accounts Payable; and 4260, Advances from Affiliated Companies. Amounts at the end of the year for each affiliate should be identified by respective affiliate and account number. Report information below consecutively by respective account number; affiliated amounts of less than \$5,000 may be reported in aggregate as "other" for a particular account. Affiliated amounts recorded in accounts 1200, Notes Receivable, 1408, Sinking Funds, and 4020, Notes Payable, should not be reported in this schedule, but rather in the respective schedules contained elsewhere in this report.

<b>Name of Affiliate (a)</b>	<b>Account Number (b)</b>	<b>Balance EOY (c)</b>	
SPRING VALLEY CELLULAR	1401	90,720	<b>1</b>
SPRING VALLEY TELEPHONE LONG DISTANCE	1401	5,000	<b>2</b>
SPRING VALLEY CELLULAR	4010	7,118	<b>3</b>

## ACCOUNTS RECEIVABLE NET WRITE OFFS - TELECOMMUNICATIONS

This schedule should be used to report accounts receivable net write off activity.

Particulars (a)	Amount (b)	
Collection of amounts previously written off		1
Uncollectibles written off during the year		2
<b>Net write offs during the year</b>	<b>0</b>	

# **NOTES RECEIVABLE (ACCT. 1200) AND ALLOWANCES (ACCT. 1201)**

For affiliates, list by issue or note by affiliate. Other, list by issue or note by entity. Separately identify economic development loans and associated particulars.

<b>Name of Maker and purpose (a)</b>	<b>Issue Date (b)</b>	<b>Maturity (c)</b>	<b>Interest Rate (d)</b>	<b>Amount EOY (e)</b>	<b>Allowance Acct. 1201 (f)</b>
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NONE

<b>Total</b>				<u><u>0</u></u>	<u><u>0</u></u>	<b>1</b>
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**INVESTMENTS IN NONAFFILIATED COMPANIES (ACCT. 1402)**

Name (a)	Balance EOY (b)	
RTB Class B Stock	22,707	1
<b>Other:</b>		
WITS STOCK	9,400	2
<b>Total Investments in Nonaffiliated Companies</b>	<b>32,107</b>	

## NONREGULATED INVESTMENTS (ACCT. 1406)

Report below the name and end-of-year balance of total net investment and inventory (accts. 1406.10, 1406.11 and 1406.12) for each nonregulated activity. Telephone utilities not subject to dual jurisdiction should report materials and supplies held for resale in account 1406.

Name (a)	Balance EOY (b)	
<b>Total Net Investment and Inventory ( Accts. 1406.10, 1406.11, and 1406.12 ):</b>		
PERMANENT INVESTMENT (ACCT 1406.10)	56,094	<b>1</b>
NONREG. INVENTORY - TELEPHONES (ACCT 1406.12)	122	<b>2</b>
NONREG. INVEST. DEPRECIATION RESERVE (ACCT 1406.11)	(52,966)	<b>3</b>

**DEFERRED MAINTENANCE AND RETIREMENTS (ACCT. 1438)**

List items individually by Commission approval noting the date of approval.

Description of Item (a)	Balance EOY (b)
NONE	
<b>Total</b>	<b>0</b>

1

**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B**

<b>Plant Account (a)</b>	<b>Account (b)</b>	<b>Balance FOY (c)</b>	<b>Additions (d)</b>	
<b>GENERAL SUPPORT ASSETS</b>				
Land	2111	3,485	3,300	1
Motor Vehicles	2112	53,256		2
Aircraft	2113	0		3
Special Purpose Vehicles	2114	0		4
Garage Work Equipment	2115	0		5
Other Work Equipment	2116	80,855	2,122	6
Buildings	2121	91,832	26,394	7
Furniture	2122	1,953		8
Office Equipment	2123	10,430	130	9
General Purpose Computers	2124	19,637	8,836	10
<b>TOTAL--GENERAL SUPPORT ASSETS:</b>		<b>261,448</b>	<b>40,782</b>	
<b>CENTRAL OFFICE ASSETS</b>				
Analog Electronic Switching	2211	0		11
Digital Electronic Switching	2212	640,451	238,709	12
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0		14
Radio Systems	2231	0	0	15
Circuit Equipment	2232	259,398	1,426	16
<b>TOTAL--CENTRAL OFFICE ASSETS:</b>		<b>899,849</b>	<b>240,135</b>	
<b>INFORMATION ORIGATION/TERMINATION ASSETS</b>				
Station Apparatus	2311	0		17
Customer Premises Wiring	2321	0		18
Large Private Branch Exchanges	2341	0		19
Public Telephone Terminal Equipment	2351	9,509		20
Other Terminal Equipment	2362	14,845		21
<b>TOTAL--INFORMATION ORIG/TERM ASSETS:</b>		<b>24,354</b>	<b>0</b>	
<b>CABLE WIRE FACILITIES ASSETS</b>				
Poles	2411	1,230		22
Aerial Cable	2421	2,550	0	23
Underground Cable	2422	0	0	24
Buried Cable	2423	1,452,813	36,407	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0		27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	0		29
Conduit Systems	2441	0		30
<b>TOTAL--CABLE WIRE FACILITIES ASSETS:</b>		<b>1,456,593</b>	<b>36,407</b>	
<b>AMORTIZABLE ASSETS</b>				
Capital Leases	2681	0		31

**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)**

<b>Account (e)</b>	<b>Retirements (f)</b>	<b>Transfers / Adjustments (g)</b>	<b>Balance EOY (h)</b>	
2111			6,785	1
2112			53,256	2
2113			0	3
2114			0	4
2115			0	5
2116			82,977	6
2121			118,226	7
2122			1,953	8
2123	0	0	10,560	9
2124			28,473	10
	0	0	302,230	
2211			0	11
2212	550,000	0	329,160	12
2215	0	0	0	13
2220			0	14
2231	0	0	0	15
2232	0	0	260,824	16
	550,000	0	589,984	
2311			0	17
2321			0	18
2341			0	19
2351			9,509	20
2362			14,845	21
	0	0	24,354	
2411			1,230	22
2421	0	0	2,550	23
2422	0	0	0	24
2423	0	0	1,489,220	25
2424	0	0	0	26
2425			0	27
2426	0	0	0	28
2431			0	29
2441			0	30
	0	0	1,493,000	
2681			0	31

## TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)
<b>AMORTIZABLE ASSETS</b>			
Leasehold Improvements	2682	0	32
Intangibles	2690	272	33
<b>TOTAL--AMORTIZABLE ASSETS:</b>		<b>272</b>	<b>0</b>
<b>TOTAL TELECOM. PLANT IN SERVICE</b>	<b>2001</b>	<b>2,642,516</b>	<b>317,324</b>
Less: Allocation to Nonregulated Activity - EOY	2001		34
<b>NET REG. TOTAL TELE. PLANT IN SERV. - EOY</b>	<b>2001</b>		

Explain all amounts shown in column (g).

**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)**

<b>Account (e)</b>	<b>Retirements (f)</b>	<b>Transfers / Adjustments (g)</b>	<b>Balance EOY (h)</b>	
2682			0	32
2690			272	33
	0	0	272	
	550,000	0	2,409,840	
2001				34
			2,409,840	

**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)**

Report telecommunications plant data for each subaccount where primary plant accounts have subclassifications. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone plant at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

<b>Plant Subaccount (a)</b>	<b>Subaccount (b)</b>	<b>Balance FOY (c)</b>	<b>Additions (d)</b>	
Office Support Equipment	2123.1	7,506		<b>1</b>
Company Communications Equipment	2123.2	2,924	130	<b>2</b>
Software	2212.1	640,451		<b>3 D</b>
Digital Switching - Central Office	2212.2	0	238,709	<b>4 D</b>
Digital Switching - Remote	2212.3	0		<b>5</b>
Step by Step Switching	2215.1	0		<b>6</b>
Crossbar Switching	2215.2	0		<b>7</b>
Satellite and Earth Station Facilities	2231.1	0		<b>8</b>
Other Radio Facilities	2231.2	0		<b>9</b>
Digital Circuit Equipment	2232.1	259,398	1,426	<b>10</b>
Analog Circuit Equipment	2232.2	0		<b>11</b>
Light Wave Circuit Equipment	2232.3	0		<b>12</b>
Aerial Cable - Nonmetallic	2421.1	2,550		<b>13 D</b>
Aerial Cable - Metallic	2421.2	0		<b>14 D</b>
Underground Cable - Nonmetallic	2422.1	0		<b>15</b>
Underground Cable - Metallic	2422.2	0		<b>16</b>
Buried Cable - Nonmetallic	2423.1	1,452,813		<b>17 D</b>
Buried Cable - Metallic	2423.2	0	36,407	<b>18 D</b>
Submarine Cable - Nonmetallic	2424.1	0		<b>19</b>
Submarine Cable - Metallic	2424.2	0		<b>20</b>
Intrabuilding Cable - Nonmetallic	2426.1	0		<b>21</b>
Intrabuilding Cable - Metallic	2426.2	0		<b>22</b>

Explain all amounts shown in column (g).



**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)**  
(cont.)

Subaccount (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2123.1			7,506	1
2123.2			3,054	2
2212.1		(640,451)	0	3 D
2212.2	550,000	640,451	329,160	4 D
2212.3			0	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			0	9
2232.1			260,824	10
2232.2			0	11
2232.3			0	12
2421.1		(2,550)	0	13 D
2421.2		2,550	2,550	14 D
2422.1			0	15
2422.2			0	16
2423.1		(1,452,813)	0	17 D
2423.2		1,452,813	1,489,220	18 D
2424.1			0	19
2424.2			0	20
2426.1			0	21
2426.2			0	22

**ACCUMULATED DEPRECIATION CLASS A & B**

<b>Primary Plant Account (a)</b>	<b>Acct (b)</b>	<b>Balance FOY (c)</b>	<b>Depr Rate (d)</b>	<b>Annual Accrual (e)</b>	<b>Additional Accrual (f)</b>
<b>GENERAL SUPPORT ASSETS</b>					
Motor Vehicles	2112	22,415	15.0	7,988	1
Aircraft	2113	0			2
Special Purpose Vehicles	2114	0			3
Garage Work Equipment	2115	0			4
Other Work Equipment	2116	17,846	8.2200	6,646	5
Buildings	2121	41,887	2.5	2,296	6
Furniture	2122	972	7.0	137	7
Office Equipment	2123	6,553		881	8
General Purpose Computers	2124	11,582	20.0	3,928	9E
<b>Total-- GENERAL SUPPORT ASSETS</b>		<b>101,255</b>		<b>21,876</b>	<b>0</b>
<b>CENTRAL OFFICE ASSETS</b>					
Analog Electronic Switching	2211	0			10
Digital Electronic Switching	2212	465,285	10.0	89,045	11
Electro-Mechanical Switching	2215	0			12
Operator Systems	2220	0			13
Radio Systems	2231	0			14
Circuit Equipment	2232	16,811	8.33	21,607	15
<b>Total-- CENTRAL OFFICE ASSETS</b>		<b>482,096</b>		<b>110,652</b>	<b>0</b>
<b>INFORMATION ORIG/TERM ASSETS</b>					
Station Apparatus	2311	0			16
Customer Premises Wiring	2321	0			17
Large Private Branch Exchanges	2341	0			18
Public Telephone Terminal Equipment	2351	7,306	9.0	2,203	19
Other Terminal Equipment	2362	2,100	10.0	1,484	20
<b>Total-- INFORMATION ORIG/TERM ASSETS</b>		<b>9,406</b>		<b>3,687</b>	<b>0</b>
<b>CABLE WIRE FACILITIES ASSETS</b>					
Poles	2411	1,230	6.0		21
Aerial Cable	2421	2,550	4.5		22
Underground Cable	2422	0			23
Buried Cable	2423	414,902	4.0	58,112	24
Submarine Cable	2424	0			25
Deep Sea Cable	2425	0			26
Intrabuilding Network Cable	2426	0			27
Aerial Wire	2431	0			28

## ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
<b>CABLE WIRE FACILITIES ASSETS</b>					
Conduit Systems	2441	0			29
<b>Total-- CABLE WIRE FACILITIES ASSETS</b>		<b>418,682</b>		<b>58,112</b>	<b>0</b>
<b>Total Accumulated Depreciation</b>	<b>3100</b>	<b>1,011,439</b>		<b>194,327</b>	<b>0</b>
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100				30
<b>Net Regulated Total Accum Depreciation - 3100</b>					
<b>Columns e, f and I</b>					

### ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112					30,403	1
2113					0	2
2114					0	3
2115					0	4
2116					24,492	5
2121					44,183	6
2122					1,109	7
2123	0				7,434	8
2124					15,510	9 E
	0	0	0	0	123,131	
2211					0	10
2212	550,000			0	4,330	11
2215	0				0	12
2220					0	13
2231	0				0	14
2232	0				38,418	15
	550,000	0	0	0	42,748	
2311					0	16
2321					0	17
2341					0	18
2351					9,509	19
2362					3,584	20
	0	0	0	0	13,093	
2411					1,230	21
2421	0			0	2,550	22
2422	0				0	23
2423	0			0	473,014	24
2424	0				0	25
2425					0	26
2426	0				0	27
2431					0	28

**ACCUMULATED DEPRECIATION CLASS A & B (cont.)**

<b>Acct (g)</b>	<b>Retired (h)</b>	<b>Cost of Removal (i)</b>	<b>Salvage (j)</b>	<b>Other (k)</b>	<b>Balance EOY (l)</b>	
2441					0	29
	0	0	0	0	476,794	
<b>3100</b>	<b>550,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>655,766</b>	
3100						30
<b>3100</b>						

**ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS)**

Where subclassifications of primary plant accounts are used, report below the accumulated depreciation details for each subaccount. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone accumulated depreciation at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

<b>Plant Subaccount (a)</b>	<b>Subacct (b)</b>	<b>Balance FOY (c)</b>	<b>Depr Rate (d)</b>	<b>Annual Accrual (e)</b>	<b>Additional Accrual (f)</b>
Office Support Equipment	2123.1	3,629	10.0	751	<b>1</b>
Company Communications Equipment	2123.2	2,924	15.0	130	<b>2</b>
Software	2212.1	465,285	.0		<b>3 D</b>
Digital Switching - Central Office	2212.2	0	10.0	89,045	<b>4 D</b>
Digital Switching - Remote	2212.3	0			<b>5</b>
Step by Step Switching	2215.1	0			<b>6</b>
Crossbar Switching	2215.2	0			<b>7</b>
Satellite and Earth Station Facilities	2231.1	0			<b>8</b>
Other Radio Facilities	2231.2	0			<b>9</b>
Digital Circuit Equipment	2232.1	16,811	8.33	21,607	<b>10</b>
Analog Circuit Equipment	2232.2	0			<b>11</b>
Light Wave Circuit Equipment	2232.3	0			<b>12</b>
Aerial Cable - Nonmetallic	2421.1	2,550	.0		<b>13 D</b>
Aerial Cable - Metallic	2421.2	0	4.5		<b>14 D</b>
Underground Cable - Nonmetallic	2422.1	0			<b>15</b>
Underground Cable - Metallic	2422.2	0			<b>16</b>
Buried Cable - Nonmetallic	2423.1	414,902	.0		<b>17 D</b>
Buried Cable - Metallic	2423.2	0	4.0	58,112	<b>18 D</b>
Submarine Cable - Nonmetallic	2424.1	0			<b>19</b>
Submarine Cable - Metallic	2424.2	0			<b>20</b>
Intrabuilding Cable - Nonmetallic	2426.1	0			<b>21</b>
Intrabuilding Cable - Metallic	2426.2	0			<b>22</b>

**ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS) (cont.)**

<b>Subacct (g)</b>	<b>Retired (h)</b>	<b>Cost of Removal (i)</b>	<b>Salvage (j)</b>	<b>Other (k)</b>	<b>Balance EOY (l)</b>	
2123.1					<b>4,380</b>	<b>1</b>
2123.2					<b>3,054</b>	<b>2</b>
2212.1				(465,285)	<b>0</b>	<b>3 D</b>
2212.2	550,000			465,285	<b>4,330</b>	<b>4 D</b>
2212.3					<b>0</b>	<b>5</b>
2215.1					<b>0</b>	<b>6</b>
2215.2					<b>0</b>	<b>7</b>
2231.1					<b>0</b>	<b>8</b>
2231.2					<b>0</b>	<b>9</b>
2232.1					<b>38,418</b>	<b>10</b>
2232.2					<b>0</b>	<b>11</b>
2232.3					<b>0</b>	<b>12</b>
2421.1				(2,550)	<b>0</b>	<b>13 D</b>
2421.2				2,550	<b>2,550</b>	<b>14 D</b>
2422.1					<b>0</b>	<b>15</b>
2422.2					<b>0</b>	<b>16</b>
2423.1				(414,902)	<b>0</b>	<b>17 D</b>
2423.2				414,902	<b>473,014</b>	<b>18 D</b>
2424.1					<b>0</b>	<b>19</b>
2424.2					<b>0</b>	<b>20</b>
2426.1					<b>0</b>	<b>21</b>
2426.2					<b>0</b>	<b>22</b>

**NET DEFERRED OPERATING INCOME TAXES (ACCT. 1350, 1410, 1437, 4100, 4340, 4341 & 4361)**

This schedule should be used to report the deferred operating income tax portion of the stated accounts. In addition, column (e) of this schedule should be used to report the flowback of property related excess deferred taxes (e.g., 46 percent versus 34 percent federal tax rates). Credit amounts should be shown in ( ).

<b>Particulars (a)</b>	<b>Balance FOY (b)</b>	
<b>PROPERTY RELATED</b>		
Other Current Assets (1350)	0	<b>1</b>
Other Noncurrent Assets (1410)	0	<b>2</b>
Deferred Tax Regulatory Asset (1437)	0	<b>3</b>
Net Current Deferred Operating Income Taxes (4100)	0	<b>4</b>
Net Noncurrent Deferred Operating Income Taxes (4340)	(79,578)	<b>5 D</b>
Net Deferred Tax Liability Adjustments (4341)	10,512	<b>6 D</b>
Deferred Tax Regulatory Liability (4361)	(10,726)	<b>7 D</b>
<b>Net Property Related Deferred Operating Income Taxes</b>	<b>(79,792)</b>	
Less: Allocation to Nonregulated Activity		<b>8</b>
<b>Net Regulated Total Property Related Deferred Operating Income Taxes</b>	<b>(79,792)</b>	
<b>NONPROPERTY RELATED</b>		
Other Current Assets (1350)	0	<b>9</b>
Other Noncurrent Assets (1410)	0	<b>10</b>
Deferred Tax Regulatory Asset (1437)	0	<b>11</b>
Net Current Deferred Operating Income Taxes (4100)	0	<b>12</b>
Net Noncurrent Deferred Operating Income Taxes (4340)	0	<b>13</b>
Net Deferred Tax Liability Adjustments (4341)	0	<b>14</b>
Deferred Tax Regulatory Liability (4361)	0	<b>15</b>
<b>Total Nonproperty Related Deferred Operating Income Taxes</b>	<b>0</b>	



**NET DEFERRED OPERATING INCOME TAXES (ACCT. 1350, 1410, 1437, 4100, 4340, 4341 & 4361) (cont.)**

Acct (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments Debit or (Credit) (f)	Balance EOY (g)	
7250				0	1
7250				0	2
				0	3
7250				0	4
7250	(5,071)			(84,649)	5 D
	(2,100)			8,412	6 D
	2,162			(8,564)	7 D
	(5,009)	0	0	(84,801)	
				0	8
	(5,009)	0	0	(84,801)	
7250	2,478			2,478	9
7250				0	10
				0	11
7250				0	12
7250				0	13
				0	14
				0	15
	2,478	0	0	2,478	

### NOTES PAYABLE (ACCT. 4020)

For affiliate, list note by affiliate. For a particular affiliate, the identical affiliate name, as shown in the Affiliate Abbreviations schedule, should be reported in this schedule. For other, list by note by entity.

<b>Name (a)</b>	<b>Issue Date (b)</b>	<b>Maturity (c)</b>	<b>Interest Rate (d)</b>	<b>Balance EOY (e)</b>
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NONE

<b>Total Notes Payable</b>	<u><u>0</u></u>	<b>1</b>
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**LONG-TERM DEBT**

Report data requested and show total for each long-term debt account at end of year. Information concerning the following debt issues may be reported on individual lines in aggregate: REA/RTB 2%, REA/RTB 5%, & REA/RTB 7%. In addition, REA/RTB and FFB debt, respectively, within a range of 200 basis points may also be reported in aggregate on individual lines. If reported in aggregate, a range of dates may be reported in columns (b) and (c) as well as a range of interest rates in column (d) and a composite interest rate in column (e). If aggregation is not utilized, column (e) should contain the same interest rate as reported in column (d). For account 4050 report only the amount of debt anticipated to be repaid in one year or less.

<b>Description of Debt (a)</b>	<b>Specific or Range of Stated Dates of Issue (b)</b>	<b>Specific or Range of Stated Dates of Maturity (c)</b>	<b>Specific or Range of Interest Rates (d)</b>	
<b>Funded Debt (Account 4210):</b>				
RTB NOTES #SO10 & SO11	03/19/1985	03/19/2020	9.0000	<b>1</b>
RUS NOTE # 2032	08/23/1966	08/23/2001	2.0000	<b>2</b>
RUS NOTE #2023	12/24/1959	12/24/1994	2.0000	<b>3</b>
RUS NOTE #2030	08/23/1966	08/23/2001	2.0000	<b>4</b>
RUS NOTES #11040 & 11041	12/31/1994	12/31/2014	5.0000	<b>5</b>
<b>Total Funded Debt</b>				

## LONG-TERM DEBT (cont.)

Composite Interest Rate (e)	Held by Utility		Total Principal EOY (h)	Current Maturities Included in Acct. 4050 (i)	Total Amount Outstanding (j)	
	Reacquired Debt Acct. 4240 (f)	Sinking Funds Acct. 1408 (g)				
9.0000			435,172	6,600	441,772	1
2.0000			3,388	300	3,688	2
2.0000			3,188	300	3,488	3
2.0000			29,141	7,300	36,441	4
5.0000			882,922	17,200	900,122	5
	0	0	1,353,811	31,700	1,385,511	

## CAPITAL STOCK ACCOUNTS AT END OF YEAR

In column (a) indicate the stated dividend rate applicable to each series of preferred stock.

Class and Series (a)	Shares Authorized by Charter (b)	Par Value per Share (c)	Call Price End of Year (d)
<b>COMMON STOCK:</b>			
	600	100.00	1
<b>TOTAL COMMON STOCK</b>	<b>600</b>		
<b>TOTAL</b>	<b>600</b>		

**CAPITAL STOCK ACCOUNTS AT END OF YEAR (cont.)**

	Acct. 4510 - Capital Stock		Acct. 4530 - Treasury Stock		
	Shares	Amount	Shares	Amount	
	(e)	(f)	(g)	(h)	
<b>COMMON STOCK:</b>					
	600	60,000			1
	<b>600</b>	<b>60,000</b>	<b>0</b>	<b>0</b>	
<b>TOTAL</b>	<b>600</b>	<b>60,000</b>	<b>0</b>	<b>0</b>	

### RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	918,569	871,404	1
<b>Changes:</b>			
Balance Transferred from Income	112,590	107,165	2
<b>Dividends Declared:</b>			
Common	79,998	60,000	3
Preferred		0	4
<b>Total Dividends Declared</b>	<b>79,998</b>	<b>60,000</b>	
Miscellaneous Debits to Retained Earnings		0	5
Miscellaneous Credits to Retained Earnings		0	6
<b>Balance--End of Year</b>	<b>951,161</b>	<b>918,569</b>	

**DISTRIBUTION OF TAXES**

1. Report hereunder the summary accounts and functions charged with taxes accrued during the year.
2. Where allocation is necessary, explain the basis used.
3. Report in a footnote the amounts and kind of taxes cleared from prepaid taxes, if any.

<b>Summary Account/ Function Charged (a)</b>	<b>Wisconsin License Fee (b)</b>	<b>Wisconsin Income Tax (c)</b>	<b>Federal Income Tax (d)</b>	
Operating Taxes (Accts. 7210 - 7250)	48,436	15,860	41,752	<b>1</b>
Nonoperating Taxes (Accts. 7410 - 7450)		(630)	(1,973)	<b>2</b>
Extraordinary Items (Accts. 7630 & 7640)				<b>3</b>
Nonregulated Net Income (Acct. 7990)		(1,259)	883	<b>4</b>
Clearing Accounts				<b>5</b>
Construction				<b>6</b>
Payroll Taxes: FICA				<b>7</b>
Payroll Taxes: State Unemployment				<b>8</b>
Payroll Taxes: Federal Unemployment				<b>9</b>
<b>Other (specify):</b>				
ITC AMORTIZED			4,000	<b>10</b>
DEF. OPER. TAX		(1,164)	(1,302)	<b>11</b>
DEF. NONREG. TAX		(346)	(6,076)	<b>12</b>
<b>TOTAL</b>	<b>48,436</b>	<b>12,461</b>	<b>37,284</b>	



### DISTRIBUTION OF TAXES (cont.)

PSC Remainder Assessment (e)	Local Property Tax (f)	State & Local Taxes Other than Wisconsin (g)	Other Taxes (h)	Payroll Taxes (i)	Total (j)	
1,254					107,302	1
					(2,603)	2
					0	3
					(376)	4
					0	5
					0	6
				12,037	12,037	7
				185	185	8
				280	280	9
					4,000	10
					(2,466)	11
					(6,422)	12
<u>1,254</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12,502</u>	<u>111,937</u>	

**REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY \*)**

<b>Particulars (a)</b>	<b>This Year (b)</b>	<b>Last Year (c)</b>	
<b>LOCAL NETWORK SERVICES REVENUES</b>			
Basic Local Service Revenue (5000)*	218,136	189,455	1
Basic Area Revenue (5001)			2
Optional Extended Area Revenue (5002)			3
Cellular Mobile Revenue (5003)			4
Other Mobile Services Revenue (5004)			5
Public Telephone Revenue (5010)			6
Local Private Line Revenue (5040)			7
Customer Premises Revenue (5050)			8
Other Local Exchange Revenue (5060)			9
Other Local Exchange Revenue Settlements (5069)			10
<b>TOTAL BASIC LOCAL SERVICE REVENUE (5000)</b>	<b>218,136</b>	<b>189,455</b>	
<b>NETWORK INTERSTATE ACCESS SERVICES REV.</b>			
End User Revenue (5081)*	44,504	42,986	11
Switched Access Revenue (5082)*	245,891	222,017	12
Special Access Revenue (5083)*	4,171	3,518	13
<b>TOTAL INTERSTATE ACCESS REVENUES (5080)</b>	<b>294,566</b>	<b>268,521</b>	
<b>NETWORK INTRASTATE ACCESS SERVICES REV.</b>			
End User Revenue (5084.1)*	0	0	14
Switched Access Revenue (5084.2)*	195,712	151,697	15 C
Special Access Revenue (5084.3)*	9,088	6,277	16
<b>TOTAL INTRASTATE ACCESS REVENUES (5084)</b>	<b>204,800</b>	<b>157,974</b>	
<b>LONG DISTANCE NETWORK SERVICES MESSAGE REV.</b>			
Long Distance Message Revenue (5100)*	9,710	9,710	17
Long Distance Inward-Only Revenue (5111)			18
Long Distance Outward-Only Revenue (5112)			19
<b>Unidirectional Long Distance Revenue (5110)</b>	<b>0</b>	<b>0</b>	
<b>Long Distance Private Network Revenues</b>			
Subvoice Grade Revenue (5121)			20
Voice Grade Revenue (5122)			21
Audio Program Grade Revenue (5123)			22
Video Program Grade Revenue (5124)			23
Digital Transmission Revenue (5125)			24
Switching Revenue (5126)			25
Other Revenue (5128)			26
Other Revenue Settlements (5129)			27
<b>Total Long Distance Private Network Revenue</b>	<b>0</b>	<b>0</b>	
Other Long Distance Revenue (5160)			28
Other Long Distance Revenue Settlements (5169)			29
<b>TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.</b>	<b>9,710</b>	<b>9,710</b>	

**REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY \*)**

<b>Particulars (a)</b>	<b>This Year (b)</b>	<b>Last Year (c)</b>	
<b>MISCELLANEOUS REVENUES</b>			
Directory Revenue (5230)*	37,597	35,632	<b>30</b>
Rent Revenue (5240)*	0	0	<b>31</b>
Corporate Operations Revenue (5250)*	0	0	<b>32</b>
<b>Miscellaneous:</b>			
Miscellaneous Revenue (5260)*	8,304	6,708	<b>33</b>
Special Billing Arrangements Revenue (5261)			<b>34</b>
Customer Operations Revenue (5262)			<b>35</b>
Plant Operations Revenue (5263)			<b>36</b>
Other Incidental Regulated Revenue (5264)			<b>37</b>
Other Revenue Settlements (5269)			<b>38</b>
<b>Total Miscellaneous Revenue (5260)</b>	<b>8,304</b>	<b>6,708</b>	
Interstate Billing and Collection Revenue*	22,423	22,185	<b>39</b>
Intrastate Billing and Collection Revenue*	40,597	37,646	<b>40</b>
<b>Total Carrier Billing and Collection Revenue (5270)*</b>	<b>63,020</b>	<b>59,831</b>	
Nonregulated Operating Revenue (5280)**			<b>41</b>
<b>TOTAL MISCELLANEOUS REVENUES</b>	<b>108,921</b>	<b>102,171</b>	
<b>GROSS OPERATING REVENUES</b>	<b>836,133</b>	<b>727,831</b>	
<b>UNCOLLECTIBLE REVENUES</b>			
Uncollectible Revenue (5300)*	1,944	2,040	<b>42</b>
Uncollectible Revenue--Telecommunications (5301)			<b>43</b>
Uncollectible Revenue--Other (5302)			<b>44</b>
<b>TOTAL UNCOLLECTIBLE REVENUE (5300)</b>	<b>1,944</b>	<b>2,040</b>	
<b>TOTAL OPERATING REVENUES</b>	<b>834,189</b>	<b>725,791</b>	

\*\* Account 5280 is to be used only by those companies subject to dual jurisdiction.

**EXPENSE MATRIX - CLASS A & B**

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)	
<b>PLANT SPECIFIC OPERATIONS EXPENSE</b>				
Total Network Support Expense ( 6110 )	(14)	395	502	1
Less: Nonregulated		0		2
<b>Net Regulated</b>	<b>(14)</b>	<b>395</b>	<b>502</b>	<b>3</b>
Total General Support Expense ( 6120 )	11,467	11,484	2,027	4
Less: Nonregulated		0		5
<b>Net Regulated</b>	<b>11,467</b>	<b>11,484</b>	<b>2,027</b>	<b>6</b>
Total Central Office Switching Expense ( 6210 )	31,930	25,263	9,018	7
Less: Nonregulated		0		8
<b>Net Regulated</b>	<b>31,930</b>	<b>25,263</b>	<b>9,018</b>	<b>9</b>
Total Operator Systems Expense ( 6220 )		0	0	10
Less: Nonregulated		0		11
<b>Net Regulated</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12</b>
Total Central Office Transmission Expenses ( 6230 )	1,071	1,635	973	13
Less: Nonregulated		0		14
<b>Net Regulated</b>	<b>1,071</b>	<b>1,635</b>	<b>973</b>	<b>15</b>
Total Information Orig. / Term. Expense ( 6310 )	838	887	345	16
Less: Nonregulated		0		17
<b>Net Regulated</b>	<b>838</b>	<b>887</b>	<b>345</b>	<b>18</b>
Total Cable and Wire Fac. Expense ( 6410 )	31,812	22,071	12,623	19
Less: Nonregulated		0		20 A
<b>Net Regulated</b>	<b>31,812</b>	<b>22,071</b>	<b>12,623</b>	<b>21</b>
<b>TOTAL PLANT SPECIFIC OPERATIONS EXPENSE</b>	<b>77,104</b>	<b>61,735</b>	<b>25,488</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>77,104</b>	<b>61,735</b>	<b>25,488</b>	
<b>PLANT NONSPECIFIC OPERATIONS EXPENSE</b>				
Total Other Property, Plant and Equip. Exp. ( 6510 )	0	0	0	22
Less: Nonregulated		0		23
<b>Net Regulated</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>24</b>
Total Network Operations Expense ( 6530 )	6,292	7,025		25
Less: Nonregulated		0		26
<b>Net Regulated</b>	<b>6,292</b>	<b>7,025</b>	<b>0</b>	<b>27</b>
Access Expense ( 6540 )		0		28
Less: Nonregulated		0		29
<b>Net Regulated</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>30</b>
Total Depreciation and Amortization Expense ( 6560 )	150,957	194,027		31
Less: Nonregulated		0		32 B
<b>Net Regulated</b>	<b>150,957</b>	<b>194,027</b>		<b>33</b>
<b>TOTAL PLANT NONSPECIFIC OPERATIONS EXP.</b>	<b>157,249</b>	<b>201,052</b>	<b>0</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>157,249</b>	<b>201,052</b>	<b>0</b>	

**EXPENSE MATRIX - CLASS A & B (cont.)**

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6110	232	0	4,549	(4,888)	1
					2
	<b>232</b>	<b>0</b>	<b>4,549</b>	<b>(4,888)</b>	3
6120	897		8,560		4
					5
	<b>897</b>	<b>0</b>	<b>8,560</b>	<b>0</b>	6
6210	3,844		12,401		7
					8
	<b>3,844</b>	<b>0</b>	<b>12,401</b>	<b>0</b>	9
6220	0	0	0	0	10
					11
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	12
6230	504		158		13
					14
	<b>504</b>	<b>0</b>	<b>158</b>	<b>0</b>	15
6310	163		379		16
					17
	<b>163</b>	<b>0</b>	<b>379</b>	<b>0</b>	18
6410	5,767		3,681		19
					20 A
	<b>5,767</b>	<b>0</b>	<b>3,681</b>	<b>0</b>	21
	<b>11,407</b>	<b>0</b>	<b>29,728</b>	<b>(4,888)</b>	
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
	<b>11,407</b>	<b>0</b>	<b>29,728</b>	<b>(4,888)</b>	
6510	0	0	0	0	22
					23
	<b>0</b>		<b>0</b>	<b>0</b>	24
6530			7,025		25
					26
	<b>0</b>	<b>0</b>	<b>7,025</b>	<b>0</b>	27
6540					28
					29
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	30
6560			194,027		31
					32 B
			<b>194,027</b>		33
	<b>0</b>	<b>0</b>	<b>201,052</b>	<b>0</b>	
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
	<b>0</b>	<b>0</b>	<b>201,052</b>	<b>0</b>	

**EXPENSE MATRIX - CLASS A & B**

<b>Particulars (a)</b>	<b>Total Last Year (b)</b>	<b>Total This Year (c)</b>	<b>Salaries / Wages (d)</b>	
<b>CUSTOMER OPERATIONS EXPENSE</b>				
Total Marketing ( 6610 )		0		<b>34</b>
Less: Nonregulated		0		<b>35</b>
<b>Net Regulated</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>36</b>
Total Services ( 6620 )	111,834	112,888	18,836	<b>37</b>
Less: Nonregulated		0		<b>38</b>
<b>Net Regulated</b>	<b>111,834</b>	<b>112,888</b>	<b>18,836</b>	<b>39</b>
<b>TOTAL CUSTOMER OPERATIONS EXPENSE</b>	<b>111,834</b>	<b>112,888</b>	<b>18,836</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>111,834</b>	<b>112,888</b>	<b>18,836</b>	
<b>CORPORATE OPERATIONS EXPENSE</b>				
Total Exec. and Planning ( 6710 )	74,016	85,003	45,700	<b>40</b>
Less: Nonregulated		0		<b>41</b>
<b>Net Regulated</b>	<b>74,016</b>	<b>85,003</b>	<b>45,700</b>	<b>42</b>
Total General and Administrative ( 6720 )	71,811	76,413	19,253	<b>43</b>
Less: Nonregulated		0		<b>44</b>
<b>Net Regulated</b>	<b>71,811</b>	<b>76,413</b>	<b>19,253</b>	<b>45</b>
Provision for Uncollectible Notes Receiv. ( 6790 )		0		<b>46</b>
Less: Nonregulated		0		<b>47</b>
<b>Net Regulated</b>	<b>0</b>	<b>0</b>		<b>48</b>
<b>TOTAL CORPORATE OPERATIONS EXPENSE</b>	<b>145,827</b>	<b>161,416</b>	<b>64,953</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>145,827</b>	<b>161,416</b>	<b>64,953</b>	
<b>TOTAL EXPENSES</b>	<b>492,014</b>	<b>537,091</b>	<b>109,277</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>492,014</b>	<b>537,091</b>	<b>109,277</b>	

**EXPENSE MATRIX - CLASS A & B (cont.)**

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
<b>6610</b>					<b>34</b>
					<b>35</b>
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>36</b>
<b>6620</b>	8,962		85,090		<b>37</b>
					<b>38</b>
	<b>8,962</b>		<b>85,090</b>	<b>0</b>	<b>39</b>
	<b>8,962</b>	<b>0</b>	<b>85,090</b>	<b>0</b>	
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
	<b>8,962</b>	<b>0</b>	<b>85,090</b>	<b>0</b>	
<b>6710</b>	21,478		17,825		<b>40</b>
					<b>41</b>
	<b>21,478</b>		<b>17,825</b>	<b>0</b>	<b>42</b>
<b>6720</b>	8,915		48,245		<b>43</b>
					<b>44</b>
	<b>8,915</b>		<b>48,245</b>	<b>0</b>	<b>45</b>
<b>6790</b>					<b>46</b>
					<b>47</b>
			<b>0</b>		<b>48</b>
	<b>30,393</b>	<b>0</b>	<b>66,070</b>	<b>0</b>	
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
	<b>30,393</b>	<b>0</b>	<b>66,070</b>	<b>0</b>	
	<b>50,762</b>	<b>0</b>	<b>381,940</b>	<b>(4,888)</b>	
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
	<b>50,762</b>	<b>0</b>	<b>381,940</b>	<b>(4,888)</b>	

### EXPENSE MATRIX - CLASS A & B ( DETAIL )

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries/ Wages (d)	
Property Held for Future Tele. Use Exp. ( 6511 )		0		1
Provisioning Expense ( 6512 )		0		2
<b>Total: Reported in Account 6510</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Depreciat. Exp.--Tele. Plant in Service ( 6561 )	150,957	194,027		3
Depreciat. Exp.--Prop. Held for Future Tele. Use ( 6562 )		0		4
Amortization Expense--Tangible ( 6563 )		0		5
Amortization Expense--Intangible ( 6564 )		0		6
Amortization Expense--Other ( 6565 )		0		7
<b>Total: Reported in Account 6560</b>	<b>150,957</b>	<b>194,027</b>		



**EXPENSE MATRIX - CLASS A & B ( DETAIL ) (cont.)**

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6511					1
6512					2
	0		0	0	
6561			194,027		3
6562					4
6563					5
6564					6
6565					7
			194,027		

## OUT-OF-STATE OPERATING REVENUES

1. This schedule is to be completed only by those companies having out-of-state revenues. For the purpose of completing this schedule, and for PSCW use in calculating Wisconsin remainder assessment revenues, out-of-state revenues are specifically defined in headnote 2.
2. Out-of-state revenues are those derived exclusively from communications physically originating outside of Wisconsin. Out-of-state revenues do not include a) access revenues from "inbound" communications originating outside the state, or b) revenues from communications originating in Wisconsin and terminating outside the state, or c) revenues allocable to Wisconsin-based facilities used for communications originating and terminating outside of the state.

Description (a)	This Year (b)	
Out-of-state operating revenues		1
Less: current year write-offs of uncollectible accounts - out-of-state utility customers only		2
Plus: current year collection of out-of-state utility customer accounts previously written off		3
<b>Net out-of-state operating revenues</b>	<b>0</b>	

**OTHER INCOME ACCOUNTS (CLASS B USE ACCOUNTS DESIGNATED BY \*)**

<b>Particulars (a)</b>	<b>This Year (b)</b>	<b>Last Year (c)</b>	
<b>OTHER OPERATING INCOME AND EXPENSE</b>			
Income from Custom Work (7110)*	0	0	1
Return from Nonregulated Use of Regulated Facilities (7130)*	0	0	2
Gains and (Losses) from Foreign Exchange (7140)		0	3
Gains or (Losses) from the Disposition of Land and Artworks (7150)		0	4
Other Operating Gains and (Losses) (7160)*	0	0	5
<b>TOTAL OTHER OPERATING INCOME AND (EXPENSE) (7100)*</b>	<b>0</b>	<b>0</b>	
<b>OPERATING TAXES</b>			
Operating Investment Tax Credits--Net (7210)*	(4,000)	(2,502)	6
Operating Federal Income Taxes (7220)*	44,450	22,003	7
Operating State and Local Income Taxes (7230)*	14,696	8,632	8
Operating Other Taxes (7240)*	49,690	42,834	9
Provision for Deferred Operating Income Taxes--Net (7250)*	2,466	12,757	10
<b>TOTAL OPERATING TAXES (7200)*</b>	<b>107,302</b>	<b>83,724</b>	
<b>NONOPERATING INCOME AND EXPENSE</b>			
Dividend Income (7310)*	0	0	11
Interest Income (7320)*	16,582	12,506	12
Income from Sinking and Other Funds (7330)*	0	0	13
Allowance for Funds Used During Construction (7340)*	0	0	14
Gains or (Losses) from the Disposition of Certain Property (7350)*	0	0	15
Other Nonoperating Income (7360)*	318	0	16
Special Charges (7370)*	1,526	1,444	17
<b>TOTAL NONOPERATING INCOME AND EXPENSE (7300)*</b>	<b>15,374</b>	<b>11,062</b>	
<b>NONOPERATING TAXES</b>			
Nonoperating Investment Tax Credits--Net (7410)*	0	0	18
Nonoperating Federal Income Taxes (7420)*	(1,973)	(304)	19
Nonoperating State and Local Income Taxes (7430)*	(630)	(108)	20
Nonoperating Other Taxes (7440)*	0	0	21
Provision for Deferred Nonoperating Income Taxes--Net (7450)*	0	0	22
<b>TOTAL NONOPERATING TAXES (7400)*</b>	<b>(2,603)</b>	<b>(412)</b>	
<b>INTEREST AND RELATED ITEMS</b>			
Interest on Funded Debt (7510)*	80,669	62,095	23
Interest Expense--Capital Leases (7520)*	0	0	24
Amortization of Debt Issuance Expense (7530)*	51	51	25
Other Interest Deductions (7540)*	0	0	26
<b>TOTAL INTEREST AND RELATED ITEMS (7500)*</b>	<b>80,720</b>	<b>62,146</b>	
<b>EXTRAORDINARY ITEMS</b>			
Extraordinary Items (7600)*	0	0	27
Extraordinary Income Credits (7610)		0	28
Extraordinary Income Charges (7620)		0	29
Current Income Tax Effect of Extraordinary Items--Net (7630)		0	30
Provision for Deferred Income Tax Effect of Extraordinary Items--Net (7640)		0	31
<b>TOTAL EXTRAORDINARY ITEMS (7600)*</b>	<b>0</b>	<b>0</b>	
<b>NONREGULATED NET INCOME</b>			
Nonregulated Net Income (7990)*	(14,463)	7,784	32

### NONREGULATED NET INCOME (ACCT. 7990)

Particulars (a)	Amount (b)	
Revenues (Acct. 7990.1)		
Gross Sales	50,824	1
Less: Cost of Goods Sold		2
<b>Net Sales</b>	<b>50,824</b>	<b>3</b>
Expenses (Acct. 7990.2)	65,287	4
<b>Nonregulated Net Income</b>	<b><u>(14,463)</u></b>	<b>5</b>

List the type of nonregulated activities that company is involved in:

Leasing of customer premise equipment.  
Provider of internet access.

If the revenues from an individual nonregulated activity represent in excess of 5% of the total operating revenues for the company, please provide the amounts, as requested above, for that individual activity:

## DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	109,277	1
Nonregulated Expense	7,340	2
Plant Accounts	27,267	3
Accumulated Depreciation Accounts		4
All Other Accounts	14,060	5
<b>Total Salaries and Wages</b>	<b>157,944</b>	<b>6</b>

## EMPLOYEE DATA

Compensation includes wages, commissions, bonuses and any other cash allowances paid to employees.

Employee Category (a)	Number of Equivalent Full-Time Employees		Total Compensation (d)	
	FOY (b)	EOY (c)		
Officers	3.00	2.00	9,000	1
Supervision and Other Management		1.00	54,000	2
Other Employees	5.00	4.00	94,944	3
<b>Total</b>	<b>8.00</b>	<b>7.00</b>	<b>157,944</b>	

**EMPLOYEE DATA**

Compensation includes wages, commissions, bonuses and any other cash allowances paid to employees.

Employee Category (a)	Number of Equivalent Full-Time Employees		Total Compensation (d)	
	FOY (b)	EOY (c)		
Officers	3.00	2.00	9,000	1
Supervision and Other Management		1.00	54,000	2
Other Employees	5.00	4.00	94,944	3
Total	8.00	7.00	157,944	

**TELEPHONE CALLS AND MINUTES OF USE PER MONTH**

Enter average number, in thousands, of calls and minutes of use per month. The averages may be based on actual counts taken periodically during the year. Please provide level of detail available.

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
<b>LOCAL</b>			
Intra-Exchange			1
Extended Area Service			2
Extended Community Calling			3
Other Local-Undefined			4
<b>Total Local</b>	<b>0</b>	<b>0</b>	
<b>TOLL</b>			
Operator Handled: State--intraLATA		4	5
Operator Handled: State--interLATA		2	6
Operator Handled: Interstate		5	7
Customer Dialed: State--intraLATA	15	147	8
Customer Dialed: State--interLATA	4	76	9
Customer Dialed: Interstate	12	176	10
WATS			11
Other Toll-Undefined			12
<b>Total Toll</b>	<b>31</b>	<b>410</b>	
<b>Total Local &amp; Toll</b>	<b>31</b>	<b>410</b>	

## ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's)				
	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A -- Orig.	0	0	0	0	1
Feature Group A -- Term.	19	23	0	0	2
Feature Group B -- Orig.	7	1	0	0	3
Feature Group B -- Term.	30	14	0	0	4
Feature Group C -- Orig.	0	0	999	0	5
Feature Group C -- Term.	0	0	821	0	6
Feature Group D -- Orig.	902	298	0	0	7
Feature Group D -- Term.	1,223	603	0	0	8



## OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial		1
Sheath miles of plant - buried		2
Sheath miles of plant - fiber optics	21	3
Strand miles of plant - fiber optics	168	4
Route miles of plant - microwave		5

## SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	0	4	1
56 kbps	0	1	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	1	0	4
45 Mbps (DS-3)	0	0	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

## OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial		1
Sheath miles of plant - buried		2
Sheath miles of plant - fiber optics	21	3
Strand miles of plant - fiber optics	168	4
Route miles of plant - microwave		5

## SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	0	4	1
56 kbps	0	1	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	1	0	4
45 Mbps (DS-3)	0	0	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

**SERVICE DATA**

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
<b>Business</b>			
1 Party	148	170	3
2 Party	0		4
4 Party	0		5
PBX Trunks/System Trunks	0		6
Centrex Trunks	0		7
Centrex Lines	0		8
Key System Trunks	65	68	9
Mobile (Utility Provided Service)	0		10
Paging (Utility Provided Service)	0		11
FX-Out (Switched)	0		12
Pay Telephone			13
Coin-Operated Pay Telephone			14
Independent Pay Telephone Provider			15
Pay Stations - Public	5	5	16
- Semi-Public	2	2	17
- Cust. Owned	2	2	18
Other	0		19
<b>Total Business Lines</b>	<b>222</b>	<b>247</b>	<b>20</b>
<b>Residential (Incl. Emp. Concess.)</b>			
1 Party	717	719	22
2 Party	0		23
4 Party	0		24
FX-Out (Switched)	0		25
Other	0		26
<b>Total Residential Lines</b>	<b>717</b>	<b>719</b>	<b>27</b>
<b>Total Bus &amp; Res Lines</b>	<b>939</b>	<b>966</b>	<b>28</b>
Company Used Lines	9	9	29
<b>Total Lines Used</b>	<b>948</b>	<b>975</b>	<b>30</b>

### SERVICE DATA (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
<b>Miscellaneous</b>			
WATS Lines - OutWATS	0		3
WATS Lines - 800 Service	0		4
FX-In-intraLATA	1	1	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	0	5	7
Special Access-interLATA			8
(expressed in equiv. access lines)	0	24	9
Feature Group A Lines	0		10
Feature Group B Trunks	0		11
Feature Group C Trunks	0		12
Feature Group D Trunks	91		13
TSPS - Trunks	5		14
EAS - Trunks	36		15
Cellular Trunks (Pub. Sw. Net.)	0		16
Video Distance Learning			17
- discounted (special tariff)	0		18
<b>Customers</b>			
Business - 2 Party Customers	0		19
Business - 4 Party Customers	0		20
Residential - 2 Party Customers	0		21
Residential - 4 Party Customers	0		22
<b>Other</b>			
Total Central Office, Info. Orig./Term., & Cable			23
Wire Fac. Assets (based on physical			24
location of plant)	2,380,796	2,107,338	25
Total Company Square Miles	39	39	26
Total Company Route Miles	96	96	27
Footnotes		D	28
			29
			30

**SERVICE DATA - END OF YEAR**

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	5090				1
<b>Business</b>					2
1 Party	170				3
2 Party					4
4 Party					5
PBX Trunks/System Trunks					6
Centrex Trunks					7
Centrex Lines					8
Key System Trunks	68				9
Mobile (utility provided service)					10
Paging (utility provided service)					11
FX-Out (Switched)					12
Pay Telephone					13
Coin-Operated Pay Telephone					14
Independent Pay Telephone Provider					15
Pay Stations - Public	5				16
- Semi-Public	2				17
- Cust. Owned	2				18
Other					19
<b>Total Business Lines</b>	<b>247</b>	<b>0</b>	<b>0</b>	<b>0</b>	20
<b>Residential (Incl. Emp. Concess.)</b>					21
1 Party	719				22
2 Party					23
4 Party					24
FX-Out (Switched)					25
Other					26
<b>Total Residential Lines</b>	<b>719</b>	<b>0</b>	<b>0</b>	<b>0</b>	27
<b>Total Bus &amp; Res Lines</b>	<b>966</b>	<b>0</b>	<b>0</b>	<b>0</b>	28
Company Used Lines	9				29
<b>Total Lines Used</b>	<b>975</b>	<b>0</b>	<b>0</b>	<b>0</b>	30

**SERVICE DATA - END OF YEAR (cont.)**

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	5090				1
<b>Miscellaneous</b>					2
WATS Lines - OutWATS					3
WATS Lines - 800 Service					4
FX-In-intraLATA	1				5
Special Access-intraLATA					6
(equiv. access lines)	5				7
Special Access-interLATA					8
(equiv. access lines)	24				9
Feature Group A Lines					10
Feature Group B Trunks					11
Feature Group C Trunks					12
Feature Group D Trunks					13
TSPS - Trunks					14
EAS - Trunks					15
Cellular Trunks (Pub. Sw. Net.)					16
Video Distance Learning					17
- discounted (special tariff)					18
<b>Customers</b>					19
Business - 2 Party Customers					20
Business - 4 Party Customers					21
Residential - 2 Party Customers					22
Residential - 4 Party Customers					23
<b>Other</b>					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	2,107,338				27
Exchange Square Miles	39				28
Exchange Route Miles	96				29
Footnotes	D				30

## MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
Alcatel	AL	1
ATTC	ATT	2
GTE	GTE	3
ITT	ITT	4
Nippon Electric	NEC	5
Northern Telecom	NTI	6
Siemens	SI	7
Stromberg-Carlson	SC	8
VIDAR	VI	9

## EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electromechanical	EM	1
Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4

## MANUFACTURER ABBREVIATIONS

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Equipment Type (a)	Abbreviation (b)	
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Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4



**CENTRAL OFFICE DATA - END OF YEAR**

When an exchange has more than one central office, data must be reported for each central office.

<b>Description (a)</b>	<b>Central Off. (b)</b>	<b>Central Off. (c)</b>	<b>Central Off. (d)</b>	<b>Central Off. (e)</b>	
Exchange Name	SPRING VALLEY				1
PSCW Exchange ID	5090				2
Central Office Name	SPRING VALLEY				3
PSCW Central Office ID	1				4
Manufacturer of COE (Page 54)	NTI				5
Year COE Installed	1996				6
Type of Equipment (Page 54)	D				7
(S)tandalone, (H)ost, (R)emote	S				8
Remote Host PSCW Exchange ID					9
Remote Host PSCW Central Office ID					10
COE Generic Software Release No.	16				11
SS7?	Yes				12
9-1-1?	Yes				13
Access Lines - In Use	966				14
- Equipped	1,200				15
- Wired	1,400				16
Trunks - In Use	5				17
- Equipped	5				18
- Wired	5				19
ISDN Available?	Yes				20
ISDN Lines - In Use (BRI)	0				21
- In Use (PRI)	0				22
Switched 56 Service?	No				23
Switched 56 lines in use					24
Digital Transmission Facilities: DS-1 - In Use	4				25
DS-3 - In Use	1				26
Advanced Data Service Available:					
Packet Switching?	No				27
SMDS?	No				28
Frame Relay?	No				29
ATM (Asynchronous Trans. Mode)?	No				30
Video Information - Service Available?	No				31
- In Use (# lines) <sup>1</sup>					32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	44				33
No. of fiber strands working (LIT) in C.O.	22				34
No. of fiber strands for interoffice use	0				35
Miles of fiber sheath in wire center	21				36
Access Tandem Serving this C.O.:					
- C.O. Name	ELK LAKE				37
- PSCW C.O. ID	1740-01				38
Does this C.O. do access tandem switching?	No				39
Equal Access: InterLATA (1+)?	Yes				40
Equal Access: IntraLATA (1+)?	Yes				41
Footnotes					42

<sup>1</sup> Teleco provided end-to-end facility.

## GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

### General Footnote

#### Accountants Compilation Report

To the Board of Directors  
Spring Valley Telephone Company  
Spring Valley, Wisconsin 54767

We have compiled the balance sheets of Spring Valley Telephone Company as of December 31, 1996 and 1995, and the related statements of income and retained earnings for the years then ended, and the statement of cash flows for the year ended December 31, 1996, included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information presented in the prescribed form, except for pages 46 through 55.

Our compilation was limited to presenting in the form prescribed by the Public Service Commission of Wisconsin, information that is the representation of management. We have not audited or reviewed the financial statements and supplementary information referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements (including related disclosures) and the supplementary information are presented in accordance with the requirements of the Public Service Commission of Wisconsin, which differ from generally accepted accounting principles. Accordingly, these financial statements and supplementary information are not designed for those who are not informed about such differences.

The supplementary information contained on pages 46 through 55 of the accompanying prescribed form has not been audited, reviewed, or compiled by us, and, accordingly, we assume no responsibility for that information.

Kiesling Associates LLP  
Madison, Wisconsin  
April 28, 1997

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### Schedule Footnotes

#### Identification and Ownership Footnote. Page 7

Data missing from load, entered by Cliff, corrected by RL July 24,1997

#### General, Schedule Level and Schedule Line Footnotes Footnote. Page 56

This footnote is not being used.

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### Schedule Line Footnotes

- A) Decrease due to the recovery of cut cable cost in 1996.
- B) The increase is due to raising of depreciation rates in 1996.
- C) Increase in minutes of use.
- D) To properly reflect first of year balances.

## **GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES**

- E) There are different depreciation rates being used within each sub-class account.**